

FAS-930

(08-26-03)

U.S. DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

**TRADE ADJUSTMENT ASSISTANCE (TAA) FOR FARMERS
PETITION FOR CERTIFICATION AND ELIGIBILITY FOR A GROUP OF PRODUCERS**

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Trade Adjustment Assistance for Farmers, (Pub. L. 107-210). The information will be used to determine program eligibility. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0551-0040. The time required to complete this information collection is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **RETURN THIS COMPLETED FORM TO THE ADDRESS LISTED BELOW.**

Please complete all requested information in this form and return it to the following address or fax to (202) 720-0876.

U.S. Department of Agriculture
Import Policies and Programs Division/FAS
1400 Independence Ave., S.W.
Stop 1021
Washington, DC 20250-1021

If you need assistance, telephone (202) 720-2916 or
e-mail your questions to:
trade.adjustment@fas.usda.gov.

1. Name of Authorized Representative or Primary Contact	2. Name and Business Address (Including City, State, and Zip Code)
3. Telephone Number (Including Area Code)	
4. Fax Number (Including Area Code)	5. E-Mail Address

6. This petition is made on behalf of the following producers: *(Use separate sheet for additional producers)*

A. Name of Producers	B. Mailing Address	C. Telephone No. (Including Area Code)	D. E-Mail Address

7. COMMODITY INFORMATION:

A. Description of the raw (excludes processed) agricultural commodity: (e.g., fresh raspberries)	B. Commodity's Harmonized Tariff Schedule (HTS) Number (HTS can be found at: http://www.fas.usda.gov/ustrade/)
C. This petition is for the most recent marketing year for the commodity beginning in _____ and ending _____ (month/year) (month/year)	
D. Check whether the certification is to cover a commodity produced nationally or in an "impacted" area (state or states): <input type="checkbox"/> National <input type="checkbox"/> State(s) (list): _____	

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8. If Item 7D "National" is checked, provide the national average annual price for the most recent marketing year and the 5 preceding marketing years. If Item 7D "State(s)" is checked to indicate that the petition is for an impacted area, provide the relevant average price for the most recent marketing year and the 5 preceding years, and specify the months being averaged if the price is for less than 12 months (seasonal price).

(NOTE: National price data is available for many raw agricultural commodities from the Department's National Agricultural Statistical Service (NASS) at: www.usda.gov/nass.)

A. Marketing Year	B. Average Annual Price				
Most recent:	\$				
Provide prices for the 5 years prior to the most recent marketing years. Beginning with the most recent.	C. 5-Year Average Annual Price				
	1 Year ago \$	2 Years ago \$	3 Years ago \$	4 Years ago \$	5 Years ago \$

9. Basis for request for adjustment assistance. Please explain or attach any documents, which show how increased imports have affected the national price of your product during the most recent marketing year. In your description include any other factors which may also have contributed to lower producer prices.

10A. SIGNATURE OF AUTHORIZED REPRESENTATIVE OR PRIMARY CONTRACT	10B. TITLE	10C. DATE SIGNED
11A. SIGNATURE OF FAS REPRESENTATIVE	11B. TITLE	11C. DATE

9. Basis for request...

The South Carolina Shrimpers' Association (SCSA) on behalf of all SC commercially licensed shrimpers and their crews (i.e. captains and "strikers") that legally operated during the 2002 shrimp season in state and/or federal (EEZ) waters, (herein called "producers") is petitioning the U.S. Department of Agriculture to declare eligible all SC producers to apply for trade adjustment assistance under the Trade Adjustment Assistance for Farmers (TAA) program. The SCSA is submitting this petition on behalf of all SC producers because the average annual SC ex-vessel (producer) shrimp price for the impacted area, South Carolina, during 2002 was less than 80 percent compared to the preceding five (5) marketing year prices (i.e. 1997-2001) (see attached Table SC1), and because a surge in imported shrimp quantities with lower import prices (i.e. imported shell-on shrimp) contributed importantly to a supply induced decline in the 2002 SC shrimp price (see attached Table SC2). In addition, a major portion of these imported shrimp (e.g. Haby *et al.* 2003b) were derived from foreign shrimp aquaculture production and competed as "like" commodities, mainly the HTS 030613 group, relative to shrimp harvested by SC producers. Moreover, the overall surge and price decline in other imported shrimp product forms (see Table SC2) in recent years has further exacerbated the decline in SC ex-vessel prices by forcing US shrimp processors and other US market channel members to increase their substitution of various imported shrimp products instead of using SC harvested shrimp as a raw material component (Haby *et al.* 2003a). It is also highly likely that tariff (e.g. an increase in EU tariffs on various Thai shrimp products) and non-tariff (i.e. import prohibitions related to chloramphenicol levels) actions during 2002 by the European Union (EU) "...placed downward pressure on prices offered by U.S. shrimp marketers..." while contributing to a diversion of additional product flow into the US, instead of the EU (Haby *et al.* 2003a).

With a seasonal and perishable product such as shrimp, other special factors that might lower SC producer prices include domestic harvest levels and related weather conditions. **ATTACHMENT 1 TEXT FOR THE SC TAA PETITION BEGINS HERE** Preliminary analyses of SC producer prices vs. total US Gulf and South Atlantic shrimp landings (poundage) suggest no negative correlation during the 1997-2002 time period (see regression analysis in Table SC2) consistent with a domestic production supply effect. In addition, the second lowest annual SC ex-vessel shrimp price occurred in 2001 (See Table SC1), the lowest annual harvest for the entire six-year time period. The 2001 harvest decline was related to an earlier cold spell that reduced SC shrimp stocks, but the SC harvest decline had no apparent positive effect on the SC annual average price. The short-term role of consumer demand related factors (e.g. consumer income changes, substitutes, etc.) in the SC producer price decline is difficult to decipher due to the paucity of information specific to shrimp products. It is possible that lagged effects associated with the 2001 recession (NBER, 2003) coupled with the events of 9/11 may have slowed consumer demand (e.g. a "left inward shift" in demand) for shrimp products in 2002. In conclusion, SC shrimp producers are price-takers competing in a domestic market where recent supply effects of shrimp exported to the US by foreign aquaculture enterprises with lower production costs (Haby *et al.* 2003b) have contributed importantly to a substantial annualized producer price decline. Given this market situation and resulting socioeconomic stress on SC commercial fishing communities, we firmly believe that the USDA, after an expeditious review of this petition, will want to certify this petition and therefore make individual SC producers eligible to apply for trade adjustment assistance including adjustment payments. Moreover, the assistance provided by the TAA program will be congruent with public policy of allowing state, regional, and/or federal management agencies adequate time to consider future adjustments in fishery management regimes in a manner that will assist producers in better coping with the changing market conditions.

References Cited

Haby, M.G., R.J. Miget, L.L. Falconer, and G.L. Graham. 2003a. A review of current conditions in the Texas shrimp industry, an examination of contributing factors, and suggestions for remaining competitive in the global shrimp market. Texas Cooperative Extension-Sea Grant College Program, Texas A&M University, College Station, TAMU-SG-03-701 (Updated report released in January, 2003).

Haby, M.G., R.J. Miget, L.L. Falconer, and G.L. Graham. 2003b. Establishing wild, domestic shrimp as a premium choice in the American marketplace with a verifiable, quality control management system. Texas Cooperative Extension-Sea Grant College Program, Texas A&M University, College Station (Draft report released September, 2003).

National Bureau of Economic Research (NBER). 2003. The NBER's business-cycle dating procedure. July 17, 2003, <http://www.nber.org/>

Table SC1. Federal fisheries data for calculating annual average prices for the impacted, area, South Carolina, 1997- 2001.

Data Downloaded from NOAA Fisheries (f.k.a. NMFS) Data Query Site

http://www.st.nmfs.gov/st1/commercial/landings/annual_landings.html

Year : From:1997 To: 2001

State : South Carolina

Year	Species	Metric Tons	Pounds*	Ex-vessel \$
1997	SHRIMP, BROWN	501.6	1,105,876	2,719,043
1997	SHRIMP, PINK	6.1	13,455	38,866
1997	SHRIMP, ROCK	0	40	84
1997	SHRIMP, WHITE	2,500.40	5,512,393	15,559,253
1998	SHRIMP, BROWN	337.9	744,875	1,197,843
1998	SHRIMP, WHITE	2,522.00	5,559,925	14,218,882
1999	SHRIMP, BROWN	915.7	2,018,660	3,070,697
1999	SHRIMP, PINK	4	8,744	20,791
1999	SHRIMP, WHITE	2,698.80	5,949,805	15,270,516
2000	SHRIMP, BROWN	648	1,428,585	3,063,262
2000	SHRIMP, PINK	0.9	1,880	5,403
2000	SHRIMP, WHITE	2,090.40	4,608,530	12,396,927
2001	SHRIMP, BROWN	1,055.90	2,327,931	3,928,254
2001	SHRIMP, PINK	0.7	1,462	3,035
2001	SHRIMP, ROCK	3.3	7,231	9,616
2001	SHRIMP, WHITE	950.4	2,095,295	4,746,393

	lbs*	\$	Price/Hds-on Lbs
1997 All Shrimp	6,631,764	\$ 18,317,246	\$ 2.76
1998	6,304,800	\$ 15,416,725	\$ 2.45
1999	7,977,209	\$ 18,362,004	\$ 2.30
2000	6,038,995	\$ 15,465,592	\$ 2.56
2001	4,431,919	\$ 8,687,298	\$ 1.96
2002 (SC data**)	5,282,651	\$ 9,029,192	\$ 1.71
97- 01 Five-Year Average:			\$ 2.41
			71.0%

FOOTNOTES:

2002 Data is preliminary and subject to revision.

***NOAA Fisheries converts all weights into heads-on shrimp pounds.**

**** SC landings data converted to heads-on pounds (whole shrimp equivalent pounds).**

(Source: Marine Resources Div., SCDNR, Charleston)

NOTE: The SCDNR provides NOAA Fisheries with all SC monthly landings data compiled at their data query Internet site (See URL above).

Table Prepared by R. Rhodes (SCDNR, 843-953-9384) for the SC Shrimpers' Association.

Table SC2. US shrimp imports for various product forms plus a simple linear regression analysis of SC prices, 1997-2002
(IMPORT DATA SOURCE: FOREIGN AGRICULTURAL SERVICE, USDA)

Year	Shell-on Shrimp ¹ :				Other Shrimp Imports:			All Shrimp Imports:		SC \$/lb ³
	Quantity MT	Value, US\$ In Thousands	Unit Value US\$/kg	% Change ² in Unit Value	MT	Value	\$/KG	MT	Value	
1997	155,875	\$ 1,626,735	\$ 10.436	NA	138,442	\$ 1,328,373	\$ 9.595	294,317	\$2,955,108	\$ 2.76
1998	152,949	\$ 1,595,697	\$ 10.433	0.0%	162,792	\$ 1,518,517	\$ 9.328	315,741	\$3,114,214	\$ 2.45
1999	156,625	\$ 1,553,405	\$ 9.918	-4.9%	175,796	\$ 1,590,723	\$ 9.049	332,421	\$3,144,128	\$ 2.30
2000	154,696	\$ 1,819,869	\$ 11.764	18.6%	190,831	\$ 1,939,862	\$ 10.165	345,526	\$3,759,731	\$ 2.56
2001	202,606	\$ 1,939,601	\$ 9.573	-18.6%	198,173	\$ 1,688,119	\$ 8.518	400,779	\$3,627,720	\$ 1.96
2002	210,560	\$ 1,675,837	\$ 7.959	-16.9%	219,234	\$ 1,749,834	\$ 7.982	429,794	\$3,425,671	\$ 1.71

US Gulf and South Atlantic Shrimp Landings, 1997-2002:

YEAR	LBS, WHOLE	VALUE
1997	246,583,907	\$ 537,591,838
1998	292,659,803	\$ 553,147,340
1999	277,913,737	\$ 561,655,959
2000	321,349,470	\$ 737,331,508
2001	281,144,583	\$ 547,875,748
2002*	257,434,297	\$ 438,039,170

* Preliminary data.

FOOTNOTES:

¹Shell-on imported shrimp, HTS codes 306130003 thru 306130027 & 306230020.

²Percent change in imported shell-on imported unit value compared to previous year.

³Nominal South Carolina annual average ex-vessel price (whole shrimp equivalent) as reported in Table SC1.

Table Prepared by R. Rhodes (SCDNR, 843-953-9384) for the SC Shrimpers' Association.

SUMMARIES OF SIMPLE LINEAR REGRESSION ANALYSIS:

Dependent Variable: Nominal SC Ex-vessel Price, 1997-02 (See above table).

Independent Variable: Annual Quantities of Imported Shell-on Shrimp, 1997-02 (See above table).

Regression Statistics		Coefficients Standard Error t Stat		
Multiple R	0.914611613	Intercept	4.592905	0.51412649 8.933414
R Square	0.836514403	MT	-1.337E-05	2.95572E-06 -4.524045
Adjusted R Sq.	0.795643004	NOTE: Negative coefficient consistent with an inverse relationship between quantities imported and the SC annual average shrimp prices.		
Standard Error	0.176901469			
F Value	20.46698716			
Observations	6			

Dependent Variable: Nominal SC Ex-vessel Price, 1997-02 (See above table).

Independent Variable: US Gulf and South Atlantic Landing Pounds (LBS), 1997-02 (See above table).

Regression Statistics		Coefficients Standard Error t Stat			
Multiple R	0.194735966	Intercept	1.48497398	2.035041691	0.729702
R Square	0.037922096	LBS	2.8802E-09	7.25361E-09	0.397074
Adjusted R Sq.	-0.202597379				
Standard Error	0.429137839				
F Value	0.157667467				
Observations	6				